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*Under contract by The North Carolina Department of Health and Human Services, Division of Facility Services*

### TRENDS FROM NORTH CAROLINA HOSPITAL DISCHARGE DATA: 1989-1998

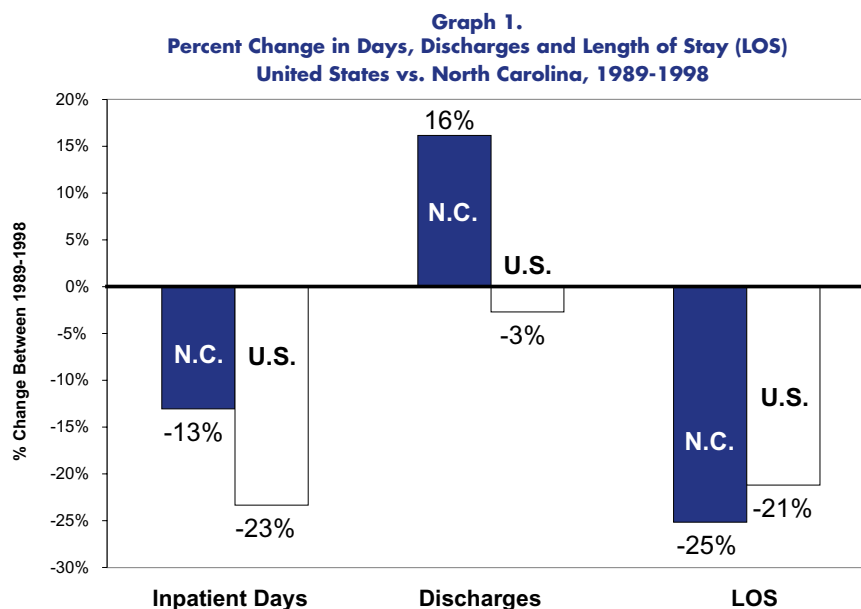
#### Background

This briefing reports on nine years of discharge data from North Carolina acute care (short-stay) hospitals. Psychiatric, rehabilitation, substance abuse and specialty hospitals were not included in this analysis and will be examined in a separate analysis. Data from 1989-1994 are from the Medical Database Commission which was created by Article 11 of Chapter 131E of the North Carolina General Statutes. Article 11 was repealed in 1995 and replaced by Article 11a, the *Medical Care Data Act*. From 1996 onward, North Carolina hospital discharge data have been compiled by HCIA/Sachs which then transmits the data to the Division of Facility Services. Data for the transition year (1995) are not available.

#### Discharges, Inpatient Days and Length of Stay in North Carolina and the United States

Between 1989 and 1998 the total number of discharges from North Carolina hospitals increased 16% from 815,526 to 947,159, while the total number of inpatient days decreased 13% from 5,357,542 to 4,658,482. The net effect of these two trends was a 25% decrease in the average length of stay (LOS) from 6.57 days in 1989 to 4.92 days in 1998.

Comparing North Carolina trends between 1989-1998 to the United States overall (Graph 1), reveals some important differences. While North Carolina has experienced a 16% increase in discharges, the US trend has been toward a slight decrease (-3%). During the same period, NC's population grew by 15% while the US population increased 9%. The total number of days patients spent in the hospital declined more rapidly in the US overall (-23%) than in NC (-13%). When compared with the national average, North Carolina hospital patients' average LOS was one day longer in 1989 and one half day longer in 1998. The LOS figures have not been adjusted by acuity, which may account for some of the variation in the NC and US figures.



Source: US Data are from Length of Stay by DRG and Payment Source, HCIA Inc.

#### Who Pays for Inpatient Hospital Services in North Carolina?

The sources of payment for patients in North Carolina hospitals have changed substantially between 1989 and 1998 as illustrated in Graphs 2 and 3. The most dramatic change has been the decline in commercial insurance coverage. This category includes companies providing traditional indemnity insurance, as well as employers who are self-insured (i.e. employers that assume the financial risk for their employees' health insurance claims). In 1989, commercial insurance plans covered 43% of the total discharges, more than any other payer category. By 1998, this proportion had dropped to only 28%. Some, but not all, of this decrease can be explained by a shift to HMO coverage. HMO discharges increased from 19,307 discharges (2% of total) in 1989 to 74,606 (8% of total) in 1998. Private insurance of any type (Commercial and HMO) covered 45% of all discharges in 1989, but only 36% by 1998.